

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:2051
ANSWERED ON:08.03.2000
LOSSES SUFFERED BY SAIL
PRABHUNATH SINGH

Will the Minister of STEEL be pleased to state:

to the reply given to SQ No.48 on December 1, 1999 and state:

(a) whether Steel Authority of India Limited (SAIL) has again suffered heavy losses in the third quarter at RS.710 crores as mentioned in the 'Pioneer' dated January, 30, 2000;

(b) if so, the reaction of the Government thereto along with reasons therefor; and

(c) the steps taken by the Government to check the losses and to improve the functioning of the SAIL?

Answer

MINISTER OF STATE FOR STEEL (SHRI DILIP RAY)

(a) & (b): Steel Authority of India Limited has suffered a loss of Rs.701 crores in the 3rd quarter of 1999-2000. The heavy losses during 1999-2000 are mainly due to stress on margins arising out of sluggish demand for steel, greater competition from imports, enhancement of supplies in domestic market and higher interest and depreciation cost on account of capitalisation of modernisation of steel plants at Rourkela, Durgapur and Bokaro.

(c) Government has recently approved a plan for the business and financial restructuring of SAIL, with a view to increase its competitiveness and to turn the company on to a path of profitability. It is also in constant dialogue with SAIL and periodically reviews its performance to increase its competitiveness and efficiency.